

California Actuarial Advisory Panel

Minutes of December 17, 2010 Meeting

Locations:
State Controller's Office
300 Capitol Mall, Suite 635
Sacramento, CA 95814

Buck Consultants
1801 Century Park East, Suite 500
Los Angeles, CA 90067

EFI Actuaries
1001 Connecticut Ave., NW, Suite 315
Washington, DC 20036

Dell Children's Hospital
1129 Mueller Blvd
Austin, TX 78723

1. Call to Order

Vice Chair Angelo called the meeting to order at 9:04 AM and called the roll.

Present: Sacramento: Paul Angelo and John Bartel
Los Angeles, CA via telephone: Harold Loeb
Washington, DC via telephone: Edward Friend

Absent: Alan Milligan, Lynn Miller, and Rick Reed

Guests: John Hiber, SCO, Chief Operations Officer
Jocelyn Roubique, SCO, Bureau Chief
Allison Hamaker, SCO, State Government Reporting Section
Judy Eng, SCO, State Government Reporting Section
Gary Marshall, SCO, State Government Reporting Section

SCO Staff: Jennifer Urban, Project Liaison
Shawn Silva, Staff Counsel
Scott Taylor, Fiscal Analyst

2. Approval of Minutes of the November 18, 2010 Meeting

Mr. Angelo asked that the draft minutes be amended to reflect that both he and Mr. Milligan also shared their experiences and impressions of the GASB public hearing held in San Francisco on October 14, 2010. Mr. Bartel motioned and Mr. Loeb seconded to approve the minutes of the November 18, 2010 meeting with Mr. Angelo's amendments. **The motion passed 4-0.**

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3. Response to Public Comment

Mr. Bartel presented and discussed his draft response to the public inquiry received from the Apple Valley Fire Protection District. Mr. Angelo and Mr. Friend suggested some minor changes that were incorporated into the draft response. Mr. Loeb motioned and Mr. Bartel seconded that the Panel accept the draft response, as amended, and authorize Mr. Milligan to forward the response to the Apple Valley Fire Protection District.
Motioned passed 4-0.

4. Defining the Range of Model Funding Policies and Practices Working Group Update

Mr. Angelo reviewed the Working Group's latest draft. The Panel discussed the utility of labeling of practices as "model", "preferred", "acceptable", or "not recommended". Comments made by the Panel: Mr. Bartel stated that the draft should address the question of inter-period equity. Mr. Loeb stated that no gain or loss should be recognized if actuarial assumptions are met. Mr. Friend stated that the panel should not dictate requirements to the actuarial community.

10:13 AM – Mr. Reed joined the meeting via telephone from Austin, TX.

5. Developing Disclosure Standards for Public Sector Actuarial Valuation Reports Working Group Update

This item was tabled for future discussion. **Mr. Angelo asked that SCO staff email the current draft to the panelists for their review.**

6. Report to the Legislature

SCO staff confirmed that, as requested by the Panel, it had sent Mr. Milligan an initial rough draft to assist the Panel in drafting its report. The Panel discussed potential issues to be addressed in the report, including Bagley-Keene constraints, the impact of the vacancy awaiting appointment by the Speaker of the Assembly, and the overall scope of the report. **Mr. Angelo asked SCO staff to provide the panelists with a copy of Mr. Milligan's draft report 7 days before the next meeting in order to facilitate discussion.**

7. Next Meeting

The Panel requested that SCO staff schedule the next meeting for January 14, 2011, and also schedule an additional meeting in late January as a contingency for completion of the annual report to the Legislature.

8. Public Comment

There was no additional public comment.

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9. Adjournment

Mr. Bartel motioned and Mr. Loeb seconded to adjourn. **The motion passed 4-0 with Mr. Friend abstaining**, and the panel adjourned at 11:10 AM.

DRAFT